

1-1-1977

Washington report, vol. 6 no.36, October 31, 1977

American Institute of Certified Public Accountants.

Wade S. Williams

Follow this and additional works at: https://egrove.olemiss.edu/aicpa_news



Part of the [Accounting Commons](#), and the [Taxation Commons](#)

Recommended Citation

American Institute of Certified Public Accountants. and Williams, Wade S., "Washington report, vol. 6 no.36, October 31, 1977" (1977). *Newsletters*. 612.
https://egrove.olemiss.edu/aicpa_news/612

This Article is brought to you for free and open access by the American Institute of Certified Public Accountants (AICPA) Historical Collection at eGrove. It has been accepted for inclusion in Newsletters by an authorized administrator of eGrove. For more information, please contact egrove@olemiss.edu.

October 31, 1977, Volume VI, Issue 36

CASB	Board issues proposed amendment to contract clause on accounting changes	p.1
DOE	Paul Bloom to head audit program	p.1
	DOE Organization chart still available	p.1
EPA	Interim regulations on Resource and Conservation Act issued	p.1
FHLBB	Banking agencies propose new financial reporting requirements	p.1
HUD	1977 Housing Amendments "Summary" available	p.2
ICC	Class III railroads to be given a "paperwork break"	p.2
SEC	SIA announces organizational restructuring	p.2
SBA	Small business seminar in California November 5	p.2
Treasury	Five CPAs names to Secretary's Small Business Advisory Committee	p.3
	Nine Revenue rulings on shelters due today	p.3
	Commissioner Kurtz addresses AICPA gathering	p.3
	Carry-over of basis hearings held by Senate Finance Subcommittee	p.3

COST ACCOUNTING STANDARDS BOARD

Proposed amendments to the Board's rules regarding the CAS contract clause as it deals with changes in cost accounting practice, by providing for equitable adjustments in the contracts under which the parties agree to a change, appear in the 10/21/77 Fed. Reg., pp. 56130-34.

In addition, a number of advisory bulletins on matters affecting contractors subject to CASB regulations appear in that same issue of the Register at pp.56150-54.

ENERGY, DEPARTMENT OF

Paul Bloom has been named to become Special Counsel to direct an intensive audit program of the major petroleum refining companies and their compliance with mandatory pricing regulations. He had been a member of the independent compliance task force which was headed by SEC enforcement Chief, Stanley Sporkin.

Anyone who called for copies of a "Fact Sheet" on the new DOE organization based on our Report last week surely ran into all kinds of problems. First, the phone number we gave was wrong; the correct telephone number for Public Affairs at DOE is 566-7104. Next we've been told that there were no more organization charts available, so we'll remedy that ourselves ... if you still want a copy, call the AICPA Washington Office (202/872-8190 ext 47) and we'll send you one ... our apologies for any inconveniences.

ENVIRONMENTAL PROTECTION AGENCY

Interim regulations to implement the Resource Conservation and Recovery Act of 1976 appear in the 10/20/77 Fed. Reg., pp. 56050-58. There are provisions for "program evaluations" to be conducted in conjunction with local projects.

FEDERAL HOME LOAN BANK BOARD

The banking agencies are proposing new financial reporting requirements designed to provide new information about the foreign operations of all banks and additional data about banks with \$300 million or more in assets. More than 14,000 financial institutions will be involved in the inquiry.

It's also been reported that the three agencies (FHLBB, FDIC, and FRB) expect to release revised instructions pertaining to lease accounting before year-end. The instructions are expected to be consistent with the requirements of FAS 13.

In a related matter, all three agencies said they are continuing to work with the SEC on its proposal to change the financial reporting requirements of banks filing forms with the agency. A revised version of the SEC's proposed changes in Article 9 of Regulation S-X are expected to be issued shortly.

HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF

"Summary of the Housing and Community Development Act of 1977," a set of major amendments to the basic block grant program enacted in 1974, provides essential information on the amendments to this major federally-assisted program. Copies of the "Summary" are available by calling 202/755-6980.

INTERSTATE COMMERCE COMMISSION

Amendments to the Uniform System of Accounts to reduce the accounting and reporting burden for smaller railroads (Class III) subject to ICC regulation appear in the 10/25/77 Fed. Reg. pp. 56347-48. The Commission is attempting to recognize that smaller railroads may not be capable of meeting the expanded accounting and reporting requirements imposed by the revised USoA. Comments are due by 11/21/77.

SECURITIES AND EXCHANGE COMMISSION

A plan has been approved by the Securities Industry Association to create three new types of memberships to broaden the access to their facilities. Corporations, financial institutions, individual investors and the public should also be involved in the decision-making at the Big Board, suggests Robert Baldwin, nominee for the Chairmanship of the SIA.

Four more sessions in a series of six one-day colloquia analyzing the constantly changing practices in municipal disclosure are being sponsored by the Municipal Finance Officers Association. Sessions are being held as follows: New York City (11/2); Boston (11/4); Chicago (11/7); and Atlanta (11/9). For registration and details, call 312/977-9700

SMALL BUSINESS ADMINISTRATION

A One day Small and Minority Business Management seminar on business management and contracting will be held on 11/5/77 at DeAnza College, Cupertino, California. Topics to be covered include education and courses available financing a small business procurement, processes used by federal agencies and prime contractors, procurement assistance, technology transfer and exporting. Cost is \$7.00 per registrant.

Five CPAs have been named to the Secretary's 25-member Small Business Advisory Committee. The Committee's objective is to provide information and advice to him on a broad range of economic issues affecting the small business community. Capital formation, tax policy, tax administration and governmental regulation head the list of issues on which they will be asked to provide assistance. The new members are: Walton E. Bell III, partner, Arthur Andersen & Company; Bruce G. Fielding of Mountain View, California, former member of the Paperwork Commission and a director of the National Federation of Independent Business; Vincent M. Panichi of Monastra, Civri and Panichi and professor at John Carroll University, Beachwood, Ohio; Edward H. Pendergast, Hurdman and Cranstoun, Boston, Mass., and president of the Massachusetts Society of CPAs; John A. Zerbel of John A. Zerbel and Associates, Milwaukee, Wisc.

Nine revenue rulings designed to curb tax shelters are due out today (Monday). They deal with: timber royalties; real estate; federal land leasing; "burned out" shelters; tax sheltered trusts; master records (with an expanded definition of the term "lease"); motion pictures; road building; and movie syndications.

IRS Commissioner Kurtz told the participants at the AICPA's Industry and Government Seminar that the foreign income exclusion in Section 911 probably isn't the rational way to handle the subsidy of foreign-located U.S. corporations.

He also commented on the IRS 11-question program, making it clear that the program will be continued, despite criticism and court challenges.

Mr. Kurtz went on to discuss large case audits which employ a team approach. He also explained the innovations in statistical sampling which are used in determining which groups of taxpayers will be audited. He added that partnership return audits will be increased significantly in the coming year.

Taxation and Debt Management on the issue of modifying the carry-over of basis provisions of the Tax Reform Act of 1976 were held last week. Arthur S. Hoffman, CPA, Chairman of the Federal Tax Division's Committee on Financial and Estate Planning testified. He reiterated the Institute's standing position which is in opposition to the difficult administration of the TRA provisions. A bill simply moving the effective dates ahead 2 years (until 1978) to give time to study the issues is on the agenda.

AICPA *Washington Report*

American Institute of Certified Public Accountants

1620 Eye Street, N.W., Washington, D.C. 20006